

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 1000 - HB 1124

April 17, 2019

SUMMARY OF ORIGINAL BILL: Requires any bylaws, rules, or regulations promulgated by the Board for Licensing Contractors regarding the *Contractors Licensing Act of 1994* be in accordance with the *Uniform Administrative Procedures Act*.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

IMPACT TO COMMERCE OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (008435): Deletes all language after the enacting clause. Adds definition of public health as the science of prevention of disease and promotion of sanitation while clarifying that it does not encompass the general welfare of society. Increases the timeframe in which the agency proposing the rule may stay the running of the 90-day period required by Tenn. Code Ann. § 4-5-207 from 75 to 90 days. Requires the agency holding a contested case hearing to provide notice either personally or by certified mail at least 30 days prior to the hearing. Deletes provision requiring the Department of Labor and Workforce Development (DLWD) to maintain contested case hearing records. Requires the SOS to maintain contested case hearing records after three years if the issuing agency elects to no longer maintain them. Requires an appellant to a contested case hearing to file a brief within 30 days after the record of the hearing is filed with the chancery court; the defendant must file a brief within 30 days of the appellant's submission.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase State Expenditures - Exceeds \$3,500

Assumptions for the bill as amended:

- Pursuant to Tenn. Code Ann. §4-5-307(a), in a contested case, all parties must be afforded an opportunity for hearing after reasonable notice.

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- The proposed legislation requires notice be served at least 30 days prior to the hearing, unless otherwise provided by law.
- It is presumed that any agency that is not subject to additional appeal notice requirements pursuant to current law will be able to adhere to the 30-day timeframe within existing resources.
- It is presumed the majority of agencies will send notice of hearing by mail instead of personally serving the notice.
- Requiring agencies to send notice of hearings through certified mail will result in an increase of state expenditures due to additional postage fees.
- The additional fee to send postage as certified mail is \$3.50.
- A minimum of 1,000 notice of hearings mailed annually.
- A recurring increase in state expenditures exceeding \$3,500 (1,000 x \$3.50).
- According to the SOS, the Administrative Procedures Division currently maintains all contested case records permanently for agencies that utilize administrative law judges.
- Agencies that utilize internal hearing officers for such hearings are subject to Records Disposition Authorizations, which require case records be maintained for a period of longer than three years.
- As any agency conducting contested case hearings is currently required to retain records for a period longer than three years, no additional expenditures are estimated for the SOS increased storage requirements.
- No significant decrease in expenditures estimated for the DWLD no longer being required to maintain contested case hearing records.
- The proposed legislation is not estimated to result in a significant increase or decrease in appeal proceedings for the state or local court system.

IMPACT TO COMMERCE WITH PROPOSED AMENDMENT:

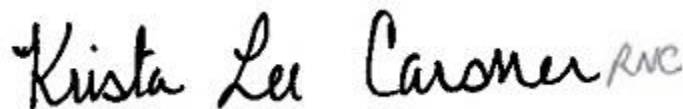
Unchanged from the original fiscal note.

Assumption for the bill as amended:

- The proposed legislation will have no impact to commerce or jobs in Tennessee.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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